Electronic Marketing
PROGRAM RESULTS

A comprehensive report of a controlled test involving 214,000 consumers and over 52 million shopping transactions.

Participating sources for the independent research studies were:

Nielsen Marketing Research, SCANTRACK® Test Marketing Services, a division of the Dun & Bradstreet Corp.

Mars Surveys, Inc. Consumer Research, Coral Springs, Florida

The Research Spectrum, Marketing Research, San Francisco, California

Drake University, School of Journalism and Mass Communications, Des Moines, Iowa

The study concentrated on the following key areas:

1. Are Shoppers Consolidating Purchases in Test Stores?

2. Has Average Order Size Increased?

3. Has the Program Converted Secondary Shoppers (i.e., "Cherry Pickers")?

4. Has the Program Increased Sales for Participating Brands?

5. What Happened to Promotion Participants After the Promotion?

6. Does the Program Have Staying Power with Shoppers?

The information in this report was compiled from a variety of sources to thoroughly and objectively study the results for a specific electronic marketing program called the Vision Value Network™ developed by Advanced Promotion Technologies. Each of the six areas were analyzed based on data provided from supermarket scanner sales, consumer surveys and telemarketing research, and the collection of causal data (i.e., external merchandising influences).

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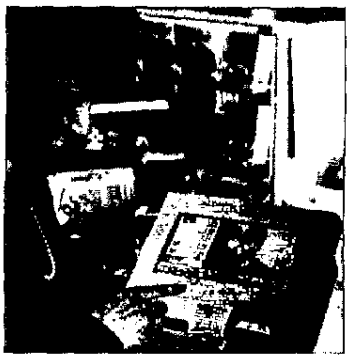
BACKGROUND AND TEST METHODOLOGY



Profile of the Average One-Year Vision Value Club Member (Over 5,100 Qualified Shoppers Analyzed):

- **Female (84%)**
- **30-49 Years of Age (50%)**
- **3-4 Members in Household**
- **Pet Ownership (78%)**
- **Household Income > $30,000 (52%) > $50,000 (20%)**
- **Children Under 18 (43%)**

Background

Advanced Promotion Technologies, Inc. (APT), is a public company engaged in the commercialization of the Vision Value Network™, a multi-media electronic services network in supermarkets. The Vision Value Network is used to deliver retailer and manufacturer promotions, advertising, information and financial services to consumers at the checkout lane.

The network also administers the Vision Value Club® (VVC), an automated frequent shopper program that offers free gifts for purchasing sponsoring brands at participating retailers. The Vision Value Club allows for specific targeting of shoppers through current purchases, demographics, lifestyles and purchase history. The program encourages long-term supermarket and brand loyalty.

APT seeks to satisfy the growing need among national consumer product manufacturers and supermarket retailers to target promotions and advertising efforts to narrowly defined groups of consumers, particularly through cost effective means. The Vision Value Network is intended to create a more rewarding shopping experience by bringing greater convenience to the shopper, provide manufacturers with a more efficient means of reaching their target audience, and provide more effective ways for retailers to reach and target their shoppers, while allowing them to retain ownership of their data and control of their operations.

Linked to the point-of-sale scanning system, the network delivers manufacturer- and retailer-sponsored promotions to shoppers in the form of instant credits, paper coupons, recipes, sweepstakes, and frequent shopper points toward free gifts, using a combination of video, print, touch and voice media. Promotions may be triggered either by the UPC codes of items being purchased, or by demographic and purchase history information provided by shoppers participating in the card-based Vision Value Club.

In addition to electronic marketing capabilities, the Vision Value Network provides for the delivery of automated financial services at checkout.

Test Methodology

Several independent research studies — all concluded in 1992 — have been conducted to analyze the effectiveness of the Vision Value programs overall:

1. Scanner data..... An 18-month analysis was conducted of the scanner data relating to a base of 5,100 qualified Vision Value Club members who had actively participated in the program for a period of one year. Household spending for the 5,100 participants was tracked by four-week periods and plotted over an 18-month time span. A sampling of these participants was then surveyed to determine perceived change in shopping behavior since becoming a Vision Value Club member.

In a separate study, a full 36 months of scanner data from one of the original Vision Value test locations was analyzed to specifically measure shopper participation levels in the Vision Value Club program over the long-term.

2. Consumer research surveys..... Mars Surveys, Inc. conducted telephone surveys of 360 Vision Value Club members who had consistently participated in the VVC program for over 15 months. The number of survey participants (360) was chosen as a statistically valid sample of the 5,100 member population involved in the study. The primary objective of the research was to determine if and to what degree VVC members at the Vision Value-equipped stores have perceived a change in their supermarket shopping attitudes and behavior as a direct result of the Vision Value Club program.

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